

SimpliFive Handout

OFFICIAL FILE

I.C. CASE NO. 0006 KEF Nos. Ex. 00-0043  
Cib CX Exhibit No. 1

Witness

Date 6/1/97 Reporter

Background

Within the last several months, customer satisfaction research, telephone surveys and several focus groups were held to examine how our customers viewed telephone services and to get their reactions to our existing pricing structure and a new calling plan called SimpliFive.

Reactions to Existing Pricing Structure

- Customers are confused about the rates they are paying.
- Customers do not like the restrictions of time of day, day of week and distance.
- Customers think they are paying more under the basic rate structure because there are too many components to keep track of.
- Customers do not want to change their calling patterns to get the best rates.

SimpliFive

Customers were then told about the SimpliFive optional calling plan. The SimpliFive plan offers:

- 5 cents per call within Band A
- 5 cents per minute for Band B and C calls
- Automatic Volume Discounts

Monthly Spending

\$15.00 to \$29.99 receives 15% discount  
\$30.00 or more receives 30% discount

- Available in MSA 1, 2, 3, 6, 7, 9 and 15

Reactions to SimpliFive

- Customers found SimpliFive to be easy to understand, convenient to use and a good value.
- Customers were willing to pay a few extra cents to avoid changing their calling behavior.
- Customers said they liked the SimpliFive plan and would buy it.
- Customers found the \$.05 per call pricing in Band A appealing compared to the \$.10 per call from our competitors because they knew that the Band A calls are the ones they make most.

Conclusion

- SimpliFive meets the needs of a segmented market by providing a predictable rate structure that is easy to understand and convenient to use any time, any day and any distance within a customer's local usage area.
- SimpliFive is easy to understand and takes less time to explain.
- SimpliFive helps improve price perception, offers competitive pricing, and will enable customers to easily compare rates and understand their phone bills.

**NOTICE**

PROPRIETARY DATA

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OCP Quick Reference – Illinois

Plan Name	Monthly Rate	Toll Rates	CCS Bill Appearance
SimpliFIVE	N/A	Band A calls - \$.05 per call Bands B & C: \$.05 per minute Volume discount applies to the total local usage: \$.00 to \$14.99 - 0% \$15.00 to \$29.99 - 15% \$30.00 and over - 30%	<ul style="list-style-type: none"> <li>No call detail is provided.</li> <li>Local Usage window shows a plan message summary.</li> <li>The bill format will be:                          Local Calls on SimpliFIVE Plan                          XXXXX Calls at 5 Cents per minute                          XXXXX Calls at 5 Cents per message                          Subtotal                          XX% automatic volume discount                          Total                          \$xx.xx                          \$xx.xx                          \$xx.xx                          \$xx.xx                     </li> </ul>
Callpack 100	\$10.00 for 100 calls and \$.10 for each additional call	NA	<ul style="list-style-type: none"> <li>Billed a flat monthly rate for call allowance of unlimited calls made within Bands A, B&amp;C.</li> <li>Additional Local Messages (ALM) are calls over the allowance billed at a per call rate specified for each CallPack</li> <li>Plans are billed at line level and each line can have a different CallPack</li> <li>No call detail is provided.</li> <li>Local Usage window shows a plan summary listing number of calls allotted, the number of calls used, and the number of ALMs billed.</li> <li>Here's an example of how calls appear with CallPack 100 Service:                          Local Call Usage Window                          Local Calls                          Calls Charged to 773 374-3274                          Ameritech CallPack 100                          97 Call(s) were placed this month                          100 Call(s) were allowed                     </li> </ul>

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## OCP Quick Reference – Illinois Grandfathered Plans

Plan Name	Monthly Rate	Toll Rates	CCS Bill Appearance
Callpack 250 (Grandfathered 7-2-98)	\$20.00 for 250 calls and \$ .09 for each additional call	NA	<ul style="list-style-type: none"> <li>• Billed a flat monthly rate for call allowance of unlimited calls made within Bands A,B&amp;C.</li> <li>• Additional Local Messages (ALM) are calls over the allowance billed at a per call rate specified for each CallPack</li> <li>• Plans are billed at line level and each line can have a different CallPack</li> <li>• No call detail is provided.</li> <li>• Local Usage window shows a plan summary listing number of calls allotted, the number of calls used, and the number of ALMs billed.</li> </ul>
Callpack 400(Grandfathered 7-2-98)	\$30.00 for 400 calls and \$.08 for each additional call	NA	<ul style="list-style-type: none"> <li>• Billed a flat monthly rate for call allowance of unlimited calls made within Bands A, B &amp; C.</li> <li>• Additional Local Messages (ALM) are calls over the allowance billed at a per call rate specified for each CallPack</li> <li>• Plans are billed at line level and each line can have a different CallPack</li> <li>• No call detail is provided.</li> <li>• Local Usage window shows a plan summary listing number of calls allotted, the number of calls used, and the number of ALMs billed.</li> </ul>
Callpack 800(Grandfathered 7-2-98)	\$60.00 for 800 calls and \$.08 for each additional call		<ul style="list-style-type: none"> <li>• Billed a flat monthly rate for call allowance of unlimited calls made within Bands A,B&amp;C.</li> <li>• Additional Local Messages (ALM) are calls over the allowance billed at a per call rate specified for each CallPack</li> <li>• Plans are billed at line level and each line can have a different CallPack</li> <li>• No call detail is provided.</li> <li>• Local Usage window shows a plan summary listing number of calls allotted, the number of calls used, and the number of ALMs billed.</li> </ul>

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# Do you want simple pricing?

## **SimpliFive offers:**

5 cents *per call* for Band A calls

5 cents *per minute* for Bands B and C calls

Automatic volume discounts on Bands A, B, and C calls:

Spend \$15.00 – \$29.99 and receive 15% discount on total usage

Spend \$30.00 or more and receive 30% discount on total usage

## **Recommend the Best Plan:**

-Review the call pack recommendation window

-If window recommends CallPacks 100, 250 or 400, offer CallPack

-If window recommends Basic Rates, explain:

*Ameritech has billing options available for your local calls. Our basic rate structure provides various rates based on time of day, day of week, and distance. We also offer a calling plan called SimpliFive which provides you a simplified rating structure 24 hours a day, 7 days a week. Calls closest to home are 5 cents per call and your other local calls are 5 cents per minute. The plan also provides automatic volume discounts. Would you like Ameritech's SimpliFive calling plan?*

-If customers request a cost comparison between SimpliFive and their current plan, explain:

*On average, basic rates cost about the same as SimpliFive; however, SimpliFive is simple because it provides the same rate 24 hours a day, 7 days a week*

-If a detailed cost comparison is requested, go to the Local Usage Detail screen in CCS (for customers currently on basic rates) or MCDI (for customers currently on a call pack) and calculate:

Number of Band A calls x \$.05  
+ Number of (Band B + Band C minutes) x \$.05  
= Total Cost

If customer's Total Cost is above \$15, apply the appropriate discount:

Total Cost x .85 = Total SimpliFive cost with 15% discount

Total Cost x .70 = Total SimpliFive cost with 30% discount

Advise customer of SimpliFive cost vs. current billing option. Many customers enjoy a simple plan and are willing to spend a couple dollars more for SimpliFive.

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Plan Name	Plan Description	Target Audience	Monthly Charge	Benefits/Positioning	Qualifications																																										
Illinois CallPacks	<ul style="list-style-type: none"><li>- CallPack 100 - Pay \$10 a month for 100 calls. Overage \$.10 per call.</li><li>- CallPack 250 - Pay \$20 a month for 250 calls. Overage \$.09 per call.</li><li>- CallPack 400 - Pay \$30 a month for 400 calls. Overage \$.08 per call.</li><li>- CallPack 600 - Pay \$40 a month for 400 calls. Overage \$.08 per call.</li></ul>	<ul style="list-style-type: none"><li>- Customers who make a lot of Band B and C calls.</li><li>- Do not promote to Internet users.</li></ul>	4 varieties: CP100 - \$10 CP250 - \$20 CP400 - \$30 CP600 - \$40	<ul style="list-style-type: none"><li>- Predictable, simple and convenient.</li><li>- CallPacks allow customers to pay by the minute.</li><li>- Do not position CallPacks as a savings.</li></ul>	<ul style="list-style-type: none"><li>- Customers in MSA 1.</li><li>- Not available to Internet Service Providers.</li><li>- CP100, CP250, CP400, CP600</li></ul>																																										
SimpliFive	<p>Pay 5 cents per message for all Band A calls and 5 cents per minute for all Band B or C calls. Plan also provides automatic volume discounts.</p> <p>Monthly Usage</p> <table><tr><td>\$0.00 to \$14.99</td><td>0% discount</td></tr><tr><td>\$15.00 to \$29.99</td><td>15% discount</td></tr><tr><td>\$30.00 and over</td><td>30% discount</td></tr></table>	\$0.00 to \$14.99	0% discount	\$15.00 to \$29.99	15% discount	\$30.00 and over	30% discount	<ul style="list-style-type: none"><li>- All N' orders.</li><li>- Customers who prefer a simple pricing structure.</li><li>- Customers who make mostly Band A or Band C calls. Do not offer to heavy Band B callers.</li></ul>	No monthly charge.	<ul style="list-style-type: none"><li>- No time of day restrictions.</li><li>- Always know what you pay.</li><li>- Automatic discounts up to 30% on Band A, B and C.</li></ul>	<ul style="list-style-type: none"><li>- Customers in MSA 1.</li><li>- CP100, CP250, CP400, CP600</li></ul>																																				
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Basic Rates	<p>Rates vary by distance, time of day, and length of call. Plan also provides volume discounts.</p> <p>MSA1:</p> <table><tr><th>Band</th><th>Peak</th><th>Shoulder</th><th>OffPeak</th></tr><tr><td>A (per call)</td><td>5.20 cents</td><td>4.88 cents</td><td>3.12 cents</td></tr><tr><td>B (6-15 miles)</td><td>1<sup>st</sup> minute 5.62 cents</td><td>5.06 cents</td><td>3.37 cents</td></tr><tr><td></td><td>Add'l Mins 2.15 cents</td><td>1.94 cents</td><td>1.29 cents</td></tr><tr><td>C (15+miles)</td><td>1<sup>st</sup> minute 7.0 cents</td><td>7.0 cents</td><td>7.0 cents</td></tr><tr><td></td><td>Add'l Mins 7.0 cents</td><td>7.0 cents</td><td>7.0 cents</td></tr></table> <p>MSAs 2,3,6,7,9 and 15 rates differ for Band A:</p> <table><tr><td>A (per call)</td><td>5.60 cents</td><td>5.04 cents</td><td>3.36 cents</td></tr></table> <p>Volume discount schedule for Bands A &amp; B:</p> <p>Monthly Usage</p> <table><tr><td>\$2.61 to 5.20</td><td>15%</td></tr><tr><td>5.21 to 10.40</td><td>20%</td></tr><tr><td>10.41 to 20.80</td><td>20%</td></tr><tr><td>20.81 to 41.60</td><td>32.2%</td></tr><tr><td>41.61 to 83.20</td><td>33%</td></tr><tr><td>83.21 to 166.40</td><td>33%</td></tr><tr><td>Over 166.40</td><td>33%</td></tr></table>	Band	Peak	Shoulder	OffPeak	A (per call)	5.20 cents	4.88 cents	3.12 cents	B (6-15 miles)	1 <sup>st</sup> minute 5.62 cents	5.06 cents	3.37 cents		Add'l Mins 2.15 cents	1.94 cents	1.29 cents	C (15+miles)	1 <sup>st</sup> minute 7.0 cents	7.0 cents	7.0 cents		Add'l Mins 7.0 cents	7.0 cents	7.0 cents	A (per call)	5.60 cents	5.04 cents	3.36 cents	\$2.61 to 5.20	15%	5.21 to 10.40	20%	10.41 to 20.80	20%	20.81 to 41.60	32.2%	41.61 to 83.20	33%	83.21 to 166.40	33%	Over 166.40	33%	<ul style="list-style-type: none"><li>- Customers who do not mind a distance, time of day, and length of call pricing structure.</li><li>- Customers who make mostly Band B calls.</li></ul>	No monthly charge.	<ul style="list-style-type: none"><li>- Economical.</li><li>- Provides automatic discounts on Band A and B calls.</li></ul>	None
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